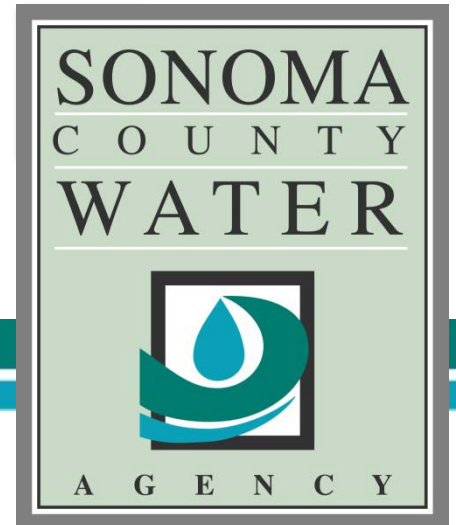


Long Range Financial Model

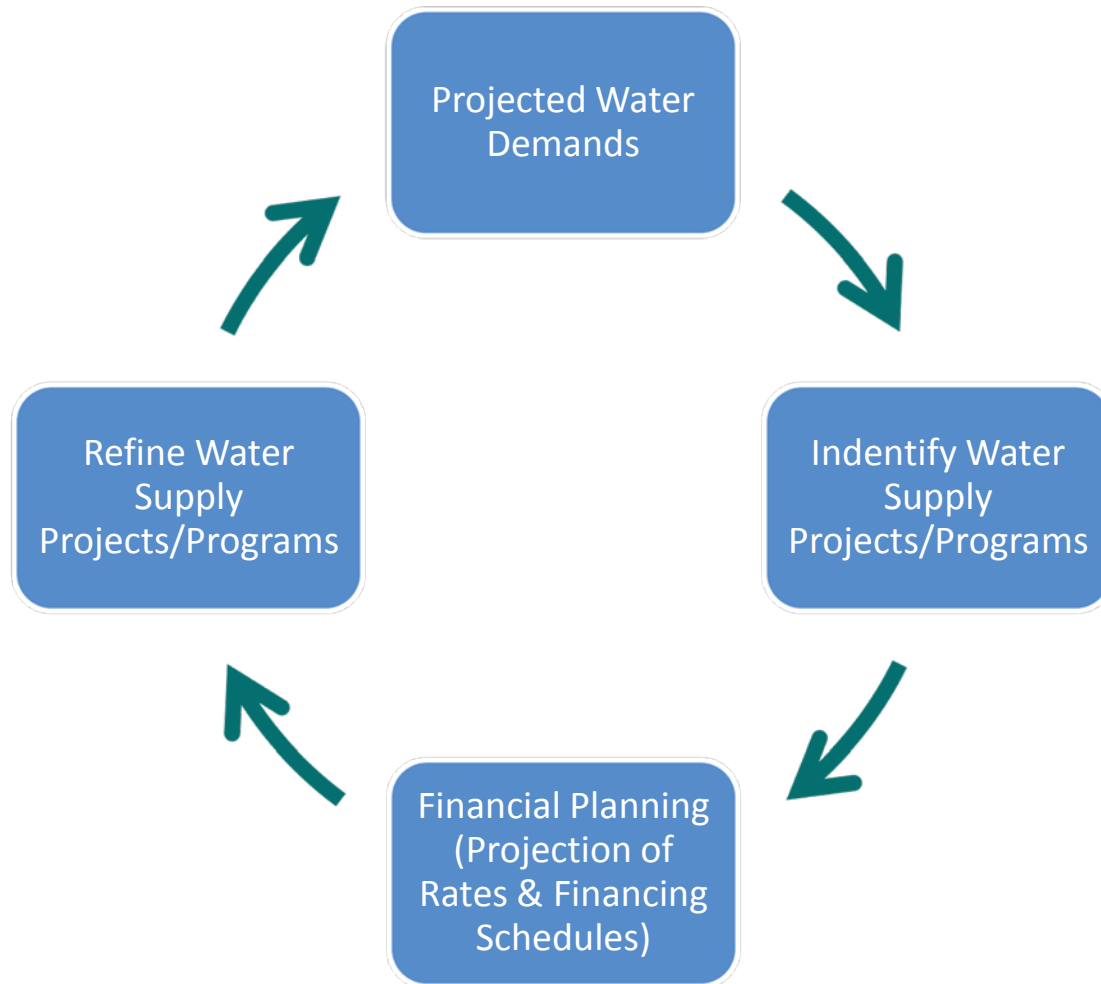


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Linkage Between Water Supply & Financial Planning



What is the Long Range Financial Model?

- Agency view – wholesale only
- “if, then scenarios”
- All Costs: Based on Restructured Agreement
- Cash flow, financing, debt service, and water rates by aqueduct
- 30 year horizon (shorter available)

Model Uses

- The Model is a planning tool
- Helpful in making relative comparisons of scenarios
- Allows sensitivity analysis of inputs' effects on rates
- Input into contractors' retail rate models

Model Limitations

- Deliveries will vary from assumptions
- Model uses estimates in Capital Project costs
 - Estimates have varying resolution
- Projects will change over time as actual demand and other factors become known

Near and Far Sighted Planning

1 Year

5 Years

30 Years

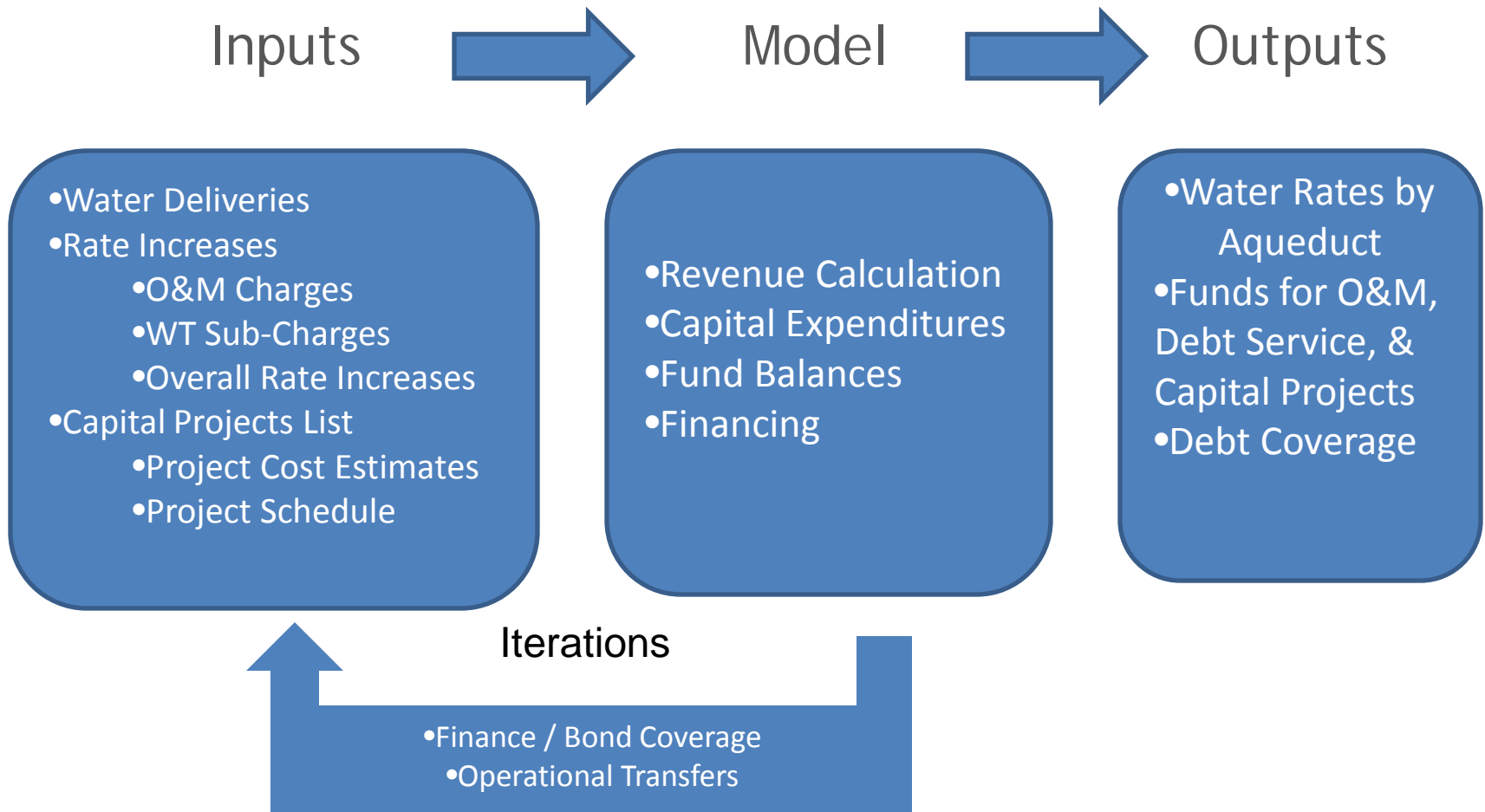
Budget

Forecast

UWMP
Planning
Estimates

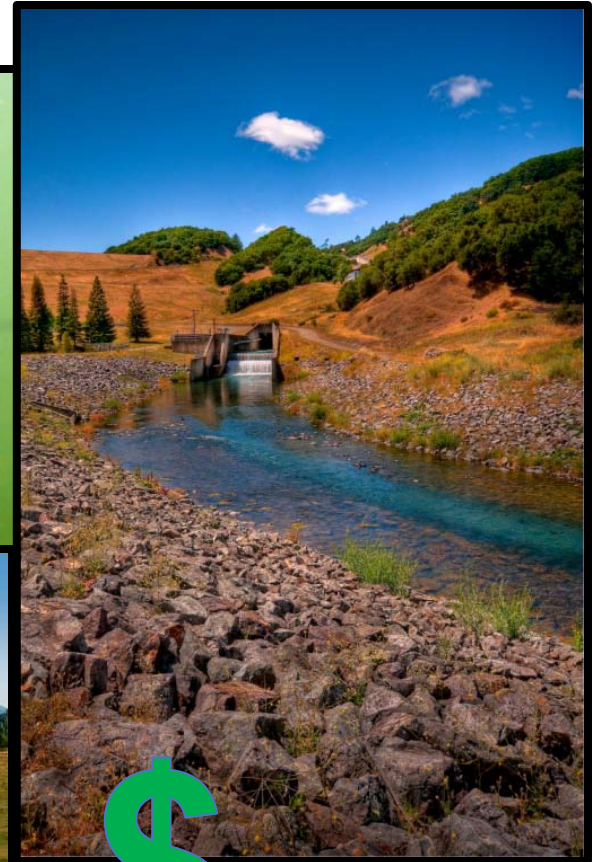
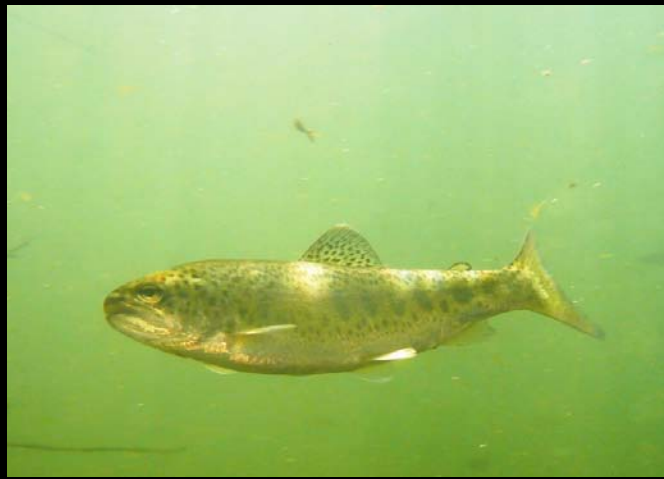
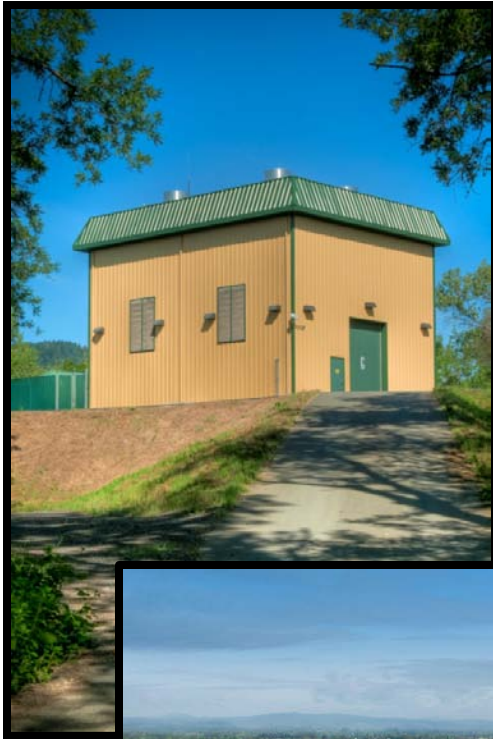


How the model works



Strategy, Projects, & Finance

Integrated Planning & Implementation



Five Year Project List

DRAFT		Construction	Total Project Cost (Dollars)							Construction	
Project Name	Category	Cost % of Project	Common	Storage	Santa Rosa	Petaluma	Sonoma	North Marin	Totals	FY Start	Active
Biological Opinion to Common, 2010	Biological Opinion	100%	207,100	0	0	0	0	0	207,100	2010	Yes
Rogers Creek Fault Crossing Mitigation	Haz Mitigation / Reliability	100%	0	0	751,972	0	0	0	751,972	2011	Yes
Biological Opinion to Common, 2011	Biological Opinion	100%	1,200,000	0	0	0	0	0	1,200,000	2011	Yes
Flow Monitoring	Haz Mitigation / Reliability	100%	500,000	0	0	0	0	0	500,000	2012	Yes
Forestville Storage Tank	Capacity / CIP Planning	86%	830,580	0	0	0	0	0	830,580	2012	Yes
Petaluma Aqueduct Condition Assessment	Capacity / CIP Planning	50%	0	0	0	0	0	0	0	2012	No
Air Valves - O&M Replacements	Haz Mitigation / Reliability	33%	740,000	0	0	0	0	0	740,000	2012	Yes
Mirabel Dam Response Plan	Haz Mitigation / Reliability	100%	175,000	0	0	0	0	0	175,000	2012	Yes
Biological Opinion to Common, 2012	Biological Opinion	100%	230,000	0	0	0	0	0	230,000	2012	Yes
Kastania Pipeline Relocation (Caltrans)	Capacity / CIP Planning	75%	0	900,000	0	0	0	0	900,000	2013	Yes
Sonoma Aqueduct Condition Assessment	Capacity / CIP Planning	75%	0	0	0	0	0	0	0	2013	No
Biological Opinion to Common, 2013	Biological Opinion	100%	0	0	0	0	0	0	0	2013	Yes
Mirabel Surge Tank Project - Tank No. 1	Haz Mitigation / Reliability	100%	900,000	0	0	0	0	0	900,000	2013	Yes
Cotati-Petaluma Anode Replacements	Haz Mitigation / Reliability	100%	0	0	0	250,000	0	0	250,000	2013	Yes
Cotati 3 Tank Recoat	Haz Mitigation / Reliability	94%	0	0	0	3,500,000	0	0	3,500,000	2013	Yes
System-wide Meter Replacements	Haz Mitigation / Reliability	100%	1,200,000	0	0	0	0	0	1,200,000	2013	Yes
Santa Rosa Reliability Pipeline Sections 1, 2 & 3 (Wohler to RailRd Sq)	Capacity / CIP Planning	32%	0	0	470,000	0	0	0	470,000	2014	Yes
Santa Rosa Aqueduct Cathodic Protection	Haz Mitigation / Reliability	83%	0	0	1,200,000	0	0	0	1,200,000	2014	Yes
Air Valves - Phase 2 Capital	Haz Mitigation / Reliability	80%	1,000,000	0	0	0	0	0	1,000,000	2014	Yes
Isolation Valves First Two Years	Haz Mitigation / Reliability	50%	1,000,000	0	0	0	0	0	1,000,000	2014	Yes
Russian River Crossing	Haz Mitigation / Reliability	90%	1,560,000	0	0	0	0	0	1,560,000	2014	Yes
Biological Opinion to Common, 2014 (Fish Screen/Ladder)	Biological Opinion	94%	5,165,000	0	0	0	0	0	5,165,000	2014	Yes
Dry Creek Habitat Enhancement (Corps) Mile 4	Biological Opinion	70%	1,000,000	0	0	0	0	0	1,000,000	2014	No
Electrical & Pump Redundancy Upgrade to Sonoma Booster Pump Station	Haz Mitigation / Reliability	100%	0	0	0	0	3,500,000	0	3,500,000	2014	Yes
Mirabel Surge Tanks	Haz Mitigation / Reliability	86%	2,800,000	0	0	0	0	0	2,800,000	2014	Yes
Mirabel Generators (repayment)	Capacity / CIP Planning	11%	1,529,978	0	0	0	0	0	1,529,978	2015	No
RR-Cotati Int. Cathodic Protection	Haz Mitigation / Reliability	83%	600,000	0	0	600,000	0	0	1,200,000	2015	Yes
Mirabel to Cotati Pipeline DESIGN ONLY	Capacity / CIP Planning	100%	0	0	0	0	0	0	0	2015	No
Kawana to SBS Pipeline-Early Pre-construction	Capacity / CIP Planning	59%	0	1,534,500	0	0	0	0	1,534,500	2015	Yes
Mark West Creek Crossing	Haz Mitigation / Reliability	90%	1,500,000	0	0	0	0	0	1,500,000	2015	Yes
Biological Opinion to Common, 2015	Biological Opinion	100%	0	0	0	0	0	0	0	2015	Yes
Mirabel Surge Tank Project - Tank No. 2	Haz Mitigation / Reliability	100%	1,000,000	0	0	0	0	0	1,000,000	2015	Yes
Dry Creek Habitat Enhancement (Corps) Mile 5	Biological Opinion	70%	1,000,000	0	0	0	0	0	1,000,000	2015	No
Collector 6 Chlorine Line	Haz Mitigation / Reliability	80%	500,000	0	0	0	0	0	500,000	2015	Yes
Kastania Tank Recoat	Haz Mitigation / Reliability	92%	0	2,400,000	0	0	0	0	2,400,000	2015	Yes
Aqueduct Condition Assesements	Capacity / CIP Planning	32%	0	0	300,000	340,000	300,000	0	940,000	2016	Yes
LHM Program Schematic Design/CEQA	Haz Mitigation / Reliability	12%	0	0	150,000	150,000	75,000	0	375,000	2016	Yes
RDS Liquefaction Mitigation	Haz Mitigation / Reliability	84%	1,880,000	0	0	0	0	0	1,880,000	2016	Yes
Collectors 3 and 5 Liquefaction Mitigation	Haz Mitigation / Reliability	73%	1,200,000	0	0	0	0	0	1,200,000	2016	Yes
Collector 6 Liquefaction Mitigation	Haz Mitigation / Reliability	67%	600,000	0	0	0	0	0	600,000	2016	Yes
Biological Opinion to Common, 2016	Biological Opinion	100%	0	0	0	0	0	0	0	2016	Yes
Dry Creek Habitat Enhancement (Corps) Mile 6	Biological Opinion	70%	1,000,000	0	0	0	0	0	1,000,000	2016	No
Ralphine Tanks - Flow Thru Conversion	Haz Mitigation / Reliability	100%	0	1,500,000	0	0	0	0	1,500,000	2016	Yes
Anadel-Sonoma Pipeline Section 4 (Madrone-Maxwell)	Capacity / CIP Planning	80%	0	0	0	0	14,100,266	0	14,100,266	2017	No
Biological Opinion to Common, 2017	Biological Opinion	100%	0	0	0	0	0	0	0	2017	Yes
Mirabel Surge Tank Project - Tank No. 3	Haz Mitigation / Reliability	100%	1,100,000	0	0	0	0	0	1,100,000	2017	Yes

Assumptions

- O & M Costs escalate linearly
- Model includes all existing debt
- Part 4 of the Restructured Agreement is used to calculate all charges
- Year 1 deliveries are based on the most recent year's actual deliveries and extrapolated to converge with planned projections.

Inputs and Outputs of Model

- Inputs:
 - Forecasted Deliveries
 - Capital Projects (Estimated Cost, Timeline)
 - Rate increases/decreases
 - Financing
- Outputs:
 - Revenue streams in future years
 - Fund balances in future years
 - Bond Coverage Ratios/Capacity to Borrow

Long Range Financial Model



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